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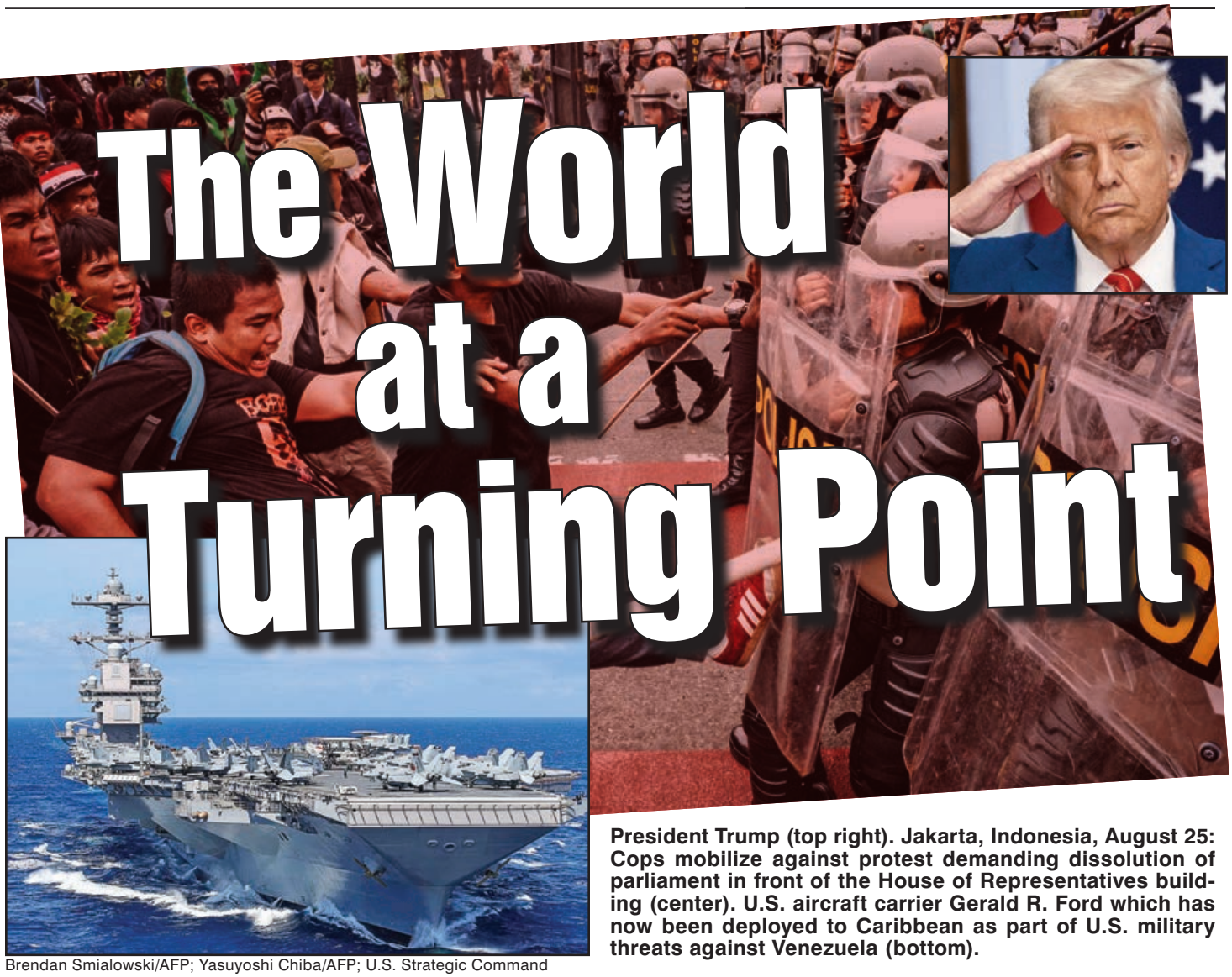
The World at a Turning Point



President Trump (top right). Jakarta, Indonesia, August 25: Cops mobilize against protest demanding dissolution of parliament in front of the House of Representatives building (center). U.S. aircraft carrier Gerald R. Ford which has now been deployed to Caribbean as part of U.S. military threats against Venezuela (bottom).

Brendan Smialowski/AFP; Yasuyoshi Chiba/AFP; U.S. Strategic Command

Where is the world going? Are we witnessing "a worldwide chain of mass movements, insurrections, uprisings and revolutions," as the Revolutionary Communist International (RCI) claims? Or is "the Land of Lincoln…being transformed by Trump and his arrogant satraps into the land of a would-be Führer," as the Socialist Equality Party believes? Maybe it's a bit of both, and "in the coming months, we could see a combined process of wars, revolutions and counterrevolutions which might open a *pre-revolutionary or even revolutionary world situation*" (Revolutionary Communist International Tendency). If Trotskyists have conflicting views on where we are heading, they aren't alone. Everywhere you look you'll find comments about "the rise of fascism," "the collapse of the dollar," "stock bubbles," "the AI revolution" and "world war." There is no coherent picture, and the whole thing is dizzying.

If there is so much confusion, it's because the world is rapidly approaching a decisive ***turning point***—and like the calm before the storm, we're receiving a lot of mixed signals. But the question remains, where are we heading? To answer this as Marxists, we cannot just jump from headline to headline or look at the latest opinion polls. We need to understand the inner dynamics of world events and distinguish the dominant currents from secondary countercurrents. This method does not rule out mistakes or unforeseen events, but it provides the only way to avoid being swept up in impressionism.

We in the International Communist League believe this is the dawn of a ***reactionary period*** of capitalist offensive, in which the living conditions of working people will be attacked on a scale not seen in decades. This is not to say that it will be a one-sided battle and we should simply stand by and give up. Quite the contrary. It calls for steeled resolve, defensive actions and serious preparation. The stronger the resistance, the quicker the working class can go on the offensive. But to do this effectively, advanced workers and the socialist movement need a correct understanding of the rhythm and direction of events.

Unfortunately, as the examples above suggest, most leftists have a view of the world that is totally at odds with reality,

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not least regarding the dominant moods in the working class. Mostly they are turning left, agitating for general strikes and uprisings, just as the world is moving to the right. To avoid a painful clash with reality, communists need to take off their partisan blinders and ***seriously*** study and debate the current world situation.

PART I: THE MAIN TRENDS OF WORLD POLITICS

To understand what's going on we need to start from the top. The main factor shaping world politics is the increasing gap between the dominant role the U.S. plays on the world stage and its declining economic power. The uncontested dominance of the U.S. in the 1990s and 2000s ensured an oppressive yet stable global order. Now that the centripetal force of the U.S. is weakening, more and more regional conflicts are breaking out, the global economy is teetering and the U.S. rulers are tearing up old rules in a desperate attempt to maintain their position. This is where Donald Trump comes in.

What the Hell Is Trump Up to?

Over the last year Trump has shaken world politics, attacking friend and foe alike. But is there any logic to his actions, or are they totally incoherent? Many commentators have mulled over this question. The tricky thing is that the answer is both. Trump is a moron who obviously doesn't have a coherent plan, but he is a moron with strong class instincts. He understands that the U.S. has a large reserve of hard power and that it needs to do something drastic to halt its decline. So like any good real estate tycoon, he is blackmailing and bullying his way to any advantage he can get. He attacks, then observes the reaction. If he bites off more than he can chew, he backs off. If he senses weakness, he doubles down. This approach is chaotic, but it has been effective in squeezing concessions out of dependent countries of the Global South as well as U.S. allies. However, it has proved useless in pushing back against Russia and China, both of which have the material means to stand up to American threats.

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by Ray Bishop
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The problem Trump has is that for all the power of the U.S. state, he cannot reshape the global economy as he wishes. Nor can he reverse decades of relative economic decline—at least, not in the short term. This explains why so much has remained the same despite Trump's antics. Fundamentally it is objective forces, the economy and the outcome of wars, that are the main drivers of history. Short of nuclear war, there is nothing Trump can do to reverse Russia winning the war in Ukraine. Nor is he currently in a position to choke off the Chinese economy with tariffs.

Otto von Bismarck once said, "A statesman cannot create anything himself. He must wait and listen until he hears the steps of God sounding through events; then leap up and grasp the hem of his garment." Trump isn't wasting any time waiting; he grasps any straw he can. But great shocks are on the horizon, and as history lurches forward Trump will be at the helm of the most powerful state in the world. As such, the political current he represents, the aggressive right-wing populism of a decaying imperialist ruling class, will most likely play a commanding role in reshaping the world order.

China Isn't Taking Over

What about China? Will it not play a key role in the coming shocks to the global system? China, and its role on the global stage, is one of the most important yet misunderstood factors in world politics. China is seen by most as a rising superpower intent on supplanting the U.S. Some think this will lead to progress, while others are horrified at the prospect. Both are fundamentally wrong. While it is true that economically and socially China's rise has been phenomenal and that the country does challenge U.S. domination in a range of areas, the Communist Party of China (CPC) does ***not*** seek confrontation with the U.S. imperialist system. Rather, it lives under the deluded idea that it can continue its gradual development ***within*** this hostile system.

One does not need a full analysis of the Chinese state (see "The Class Nature of China," *Spartacist* No. 69, August 2024) to notice that something isn't right with the narrative of an aggressive, rising China. If China is the young and dynamic pretender to the throne of world domination, why is it the U.S. and not China that is blackmailing and attacking every country on Earth? Why hasn't China built an alliance to confront the U.S? Why isn't it flooding Iran, Venezuela and Palestine with modern weapons systems to repel imperialist aggression? No, instead of any of this, the CPC continues to drone on about win-win cooperation and preserving the multilateral order—while its main guarantor, the U.S., is tearing it to shreds.

Defenders of the CPC and proponents of BRICS often argue that China is being smart by not directly challenging the U.S. They contend that China is slowly but surely building the foundations of a new, multipolar economic order. This view is wrong on two counts. First, it denies that there is a fundamentally antagonistic relationship between China's social regime, established by an ***anti-capitalist revolution***, and the world ***capitalist economy***. In the long run, capitalist economic relations, domestic and international, will not favor the CPC's "socialism with Chinese characteristics" but undermine and destroy it. The second mistake is to think that the U.S. will simply dig its own grave, guaranteeing China's rise. This downplays the danger posed by a decaying U.S. empire. Left to its own devices, the U.S. will spread mis-

ery, chaos and war on an untold scale. China cannot insulate itself from this. Its own development, and that of humanity, demands that the U.S. empire be ended as swiftly as possible.

If one looks at the world situation with the slightest degree of objectivity, it is obvious that China is playing a ***conservative*** role, wary of shocks and conflicts, while the U.S. is the ***main agent*** of disruption and chaos. That is not how a rising imperialist power behaves; it is how a bureaucratically ruled workers state like the Soviet Union behaved. No doubt China will play an important role in the coming period of turbulent world politics. But because of its conservative political nature, the CPC will continue to play second fiddle to Trump, reacting to events rather than shaping them.

Gen Z Revolutions?

For most on the left, the rising tide of reaction is matched by an equally rising tide of popular struggles. The RCI speaks of a "Red September" and a "dramatic turn in the world situation." This optimistic analysis is largely based on the wave of uprisings in the semicolonial world that have been coined the Gen Z Revolutions. Over the last several months, countries such as Nepal, Indonesia, Madagascar, Morocco, Peru and Tanzania have all seen explosions of discontent.

Every movement has had its own distinct political dynamics. But they have all been fundamentally caused by the deteriorating conditions for youth in a world where social mobility and development are distant prospects. Previously, the U.S. order fostered illusions in economic and democratic progress while at the same time using emigration and NGO money as pressure valves. This is all over. With no prospect for a viable future, social explosion has become the only outlet.

The recent uprisings have been met with massive repression (Indonesia, Morocco, Peru, etc.) and in the case of Madagascar resulted in a new regime led by the military. For now, a sharp turn toward the left does not appear to have taken place in these countries. And on the scale of global politics, the Gen Z revolutions remain a ***subtrend*** that has not halted the general drift toward imperialist reaction.

The main reason for this is that these popular explosions have not found political vehicles that could channel their energies in a progressive direction. Overwhelmingly, the left has not been able to offer leadership to the mass uprisings. In Nepal, the uprising was in fact directed ***against*** the various communist parties that have governed the country. In Sri Lanka, the mass uprising of 2022 eventually brought a communist-led coalition to power, but already it has betrayed the aspirations of the masses by bowing down to the IMF.

The problems caused by a lack of leadership in these uprisings are compounded by the fact that the organized working class has not played a major role. In fact, despite the social explosions in Asia, Africa and Latin America, the industrial working class of the Global South, the overwhelming majority of the world proletariat, has not yet shown signs of increased militancy. This is in no small part due to the worsening economic prospects for industrial workers. Were the proletariat to flex its muscles in countries like China, Mexico or Indonesia, this would bring much more social weight to the struggle and could dramatically shift world politics.

Luis Tato/AFP

Madagascar, October 13: One of many Gen Z protests demanding the resignation of President Andry Rajoelina.

These observations do not in any way downplay the ***revolutionary potential*** in the Global South, including in countries peripheral to the world economy. As the world sinks deeper into the chaos of the decaying American empire, the pressure on these countries will increase: fostering what will most likely be the most important revolutionary current of the coming period. The recent uprisings were largely spontaneous and politically amorphous. But as repression and reformist solutions fail to contain popular anger, the most advanced elements will draw lessons.

It is the task of Marxists to accelerate this process by helping revolutionary fighters of the Global South learn from past failures and cohere around a unified anti-imperialist strategy (see "In Defense of Permanent Revolution," *Spartacist* No. 68, September 2023). This requires serious, long-term and systematic work. Unfortunately, the all-too-common practice on the revolutionary left is to cheerlead a popular upsurge, call for some sort of independent workers committees and then move on to greener pastures as soon as the opportunity recedes. Such methods spread illusions and cynicism; they do nothing to organize revolutionary struggle in the Global South.

Right-Wing Populism in the West

What about the West? Are we on the brink of fascist dictatorships or is revolution around the corner? Neither, for the moment at least. Again, we must put hysterical impressionism to the side and look at the actual political trends. Throughout the West we see the political center collapsing under the blows of an ***insurgent populist right wing***. The strength of this movement comes from the fact that it is generally the only political force firmly opposing the liberal status quo of the past decades. Indeed, most major left-wing forces, while sometimes radical in their rhetoric, are fully committed to

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Mass protest in Rome, October 4. Banner says: "Throw Out the Government, Accomplice to Genocide!"

supporting the center against the right. Not only is this not stopping the right, it is also setting up the left to go down with the collapsing edifice of liberal democracy.

Different countries are at different stages of this process. In the U.S. and Italy, right-wing populism is already in power. However, internationally and domestically such forces still face political opposition from the leftovers of the previous era, hampering their actions but not providing a real challenge. In Britain, France and Germany, the centrist governments of Starmer, Macron and Merz are empty shells, despised by both the right and the left. They must turn to increasingly repressive and bureaucratic means to maintain their position. But with each maneuver they only further alienate the masses and fuel the ascent of reaction.

Then there are countries like Canada, Australia and Ireland, which think they will resist the Trumpist winds. In Canada, the U.S.'s aggressive economic measures have temporarily strengthened the liberal center. In Ireland and Australia, the hope is that these island nations will be isolated from the great currents of world politics. The problem is that these countries are all fundamentally dependent economically and militarily on the U.S., and for all their defiant words, their elites ***will*** bend the knee. Communists cannot allow themselves to be lulled by a false sense of security. It is just a matter of time before the liberal center collapses in these countries as well.

…And the Rise of the Left?

But what about the left? Many of the countries referred to above have also seen an uptick on the left: Zohran Mamdani's victory as New York City mayor, Catherine Connolly's election as Irish president, the rise of the Green Party and Your Party in Britain as well as the recent strikes in France, Italy and Greece. For many, these developments confirm that the rise of the left is at least equal to the rise of the right. Unfortunately, this view is wrong and based on a false reading of political dynamics.

To the extent that there has been a shift to the left, it has overwhelmingly been among layers of the liberal middle classes and students. Its impetus has been fear of the rising right and outrage that traditional liberals are betraying the values they claimed to stand for. It is not based on an organic rise of ***working-class consciousness and militancy***. In the main, the working class is ***not*** moving to the left but constitutes an important part of the base of right-wing populist parties. Other layers are demoralized, which also benefits reactionary forces. Since the ruling class is also moving to the right, left-wing progressive forces find themselves with no decisive social weight to support them.

Moreover, most of the left presents itself as the most consistent and militant defenders of liberal imperialism, not as a force aspiring to lead the working class toward socialism—Catherine Connolly, the Green Party in Britain and Die Linke in Germany are typical of this. Even in the soon to be formed Your Party, which has the ***potential*** to adopt a radical working-class program, most of its supporters and leaders are still very attached to traditional British liberalism. In all these cases, the task for socialists is to fight for a ***political break with liberalism*** and a clear orientation to ***building ties to the working class***.

In the U.S., with Trump in the White House and the Democratic Party in disarray, the dynamics are slightly different. Mamdani's victory against both MAGA and the Democratic Party establishment has many parallels with left-wing movements in other countries. However, there are at least two major distinctions. The first is that Mamdani emerged from ***within*** the traditional two-party system of U.S. imperialism. While many in the Democratic Party oppose him, he does not cross any red lines for the ruling class. Already figures like Barack Obama have reached out to Mamdani, seeking to bring him into the establishment fold. Second, Mamdani's campaign was not really based on defending the old liberal status quo. It raised minimal economic demands and for the most part stayed clear of social issues like immigration, black oppression and the trans question. As such, Mamdani, unlike the leftover politicians in Europe, may offer a glimpse into the future of the Democratic Party: more economically interventionist, less socially liberal.

The key thing to understand is that Mamdani is not rising on the crest of militant sentiments in the New York working class. Most workers are terrorized or demoralized and some still support Trump. For now, workers are still overwhelmingly concerned with keeping their heads above water as every aspect of life gets worse. This is particularly true among immigrant and black workers. And while sentiments among the middle classes and student youth are important, Marxists understand that without working-class support there can be no viable basis for radical left-wing politics. Thus, understanding sentiments in the working class and adjusting interventions

accordingly must be at the heart of communist work in the current period.

Many will no doubt point to the recent strikes in Italy and France as a counterargument to the outline above. It is true that both countries have seen important days of strike action—in Italy's case, the largest in decades. However, these are exceptions that confirm the rule. Fundamentally, trends in Italy and France are not different from those in the rest of Europe. The center is collapsing, the right is in power or ascendant, the bulk of the working class is moving to the right and the liberal middle classes are panicking.

In France, the traditional one-day strike and parade was supplemented with radical agitation by urban progressive supporters of Mélenchon to "block everything." But the left is still on the backfoot, the reactionary Rassemblement National is closer than ever to power and workers continue to reel from the defeated struggle against the pension reform in 2023. In this context, ultraleft agitation for a general strike only strengthens the right and the trade-union bureaucracy, who can present themselves as responsible agents of stability as opposed to an out-of-touch left.

As for Italy, the general strike in defense of Palestine was a show of force. But many workers resent the fact that these same union leaders have not waged any serious struggle against attacks by the bosses and the Meloni government. Moreover, the October strikes do not seem to have radically altered the political dynamics in Italy, and Meloni remains firmly in the saddle. Unfortunately, in both France and Italy the recent mobilizations were consistent with these countries' strong syndicalist traditions and appear more like the death throes of the old order rather than the first signs of a working-class awakening against the populist right.

Fascism Not Around the Corner

Does our analysis mean that fascism is imminent and inevitable? No. Although bigotry and right-wing populist forces are on the rise, this is not the same as fascism, which consists of paramilitary mobilizations to crush the workers movement and the oppressed. Racist violence from reactionary thugs is increasing, but it consists mainly of atomized incidents, not organized mass movements like those of the 20th century. As for increased state repression and authoritarianism, such as the ICE raids in the U.S., they point to a dangerous trend but not yet to the physical destruction of all forms of political opposition that comes with a fascist regime.

Since fascist violence targets the organized workers movement and oppressed groups and minorities, who compose much of the proletariat, it ***will*** face resistance from the working class. There is nothing inevitable in fascism's rise. The point of our analysis is not to be defeatist but to insist that stopping fascism and reaction requires a strategy proceeding from ***real conditions***, not those we ***wish*** existed.

Here we must insist that what is indeed inevitable is the collapse of the liberal center. No amount of electoral maneuvers or bureaucratic repression will save the old order. The frantic cries about the danger of fascism are simply desperate attempts to rally the left around the politics of the status quo. Like a drowning man, the liberal center will grab on to the left in a desperate attempt to stay afloat. The workers movement must respond by kicking liberalism in the face, not letting itself get dragged down with it.

The only real question for communists is how quickly the collapse of liberalism can lead to the rise of a new revolutionary working-class trend. Hastening this development must be the focus of our efforts. This requires no longer playing the role of a left appendage of liberalism. But it also requires engaging with concrete political developments, not simply shouting revolutionary verbiage into the wind. Only then can Marxists start rebuilding their own independent influence in the working class and undermine the hold of the right.

PART II: SHOCKS ON THE HORIZON

Now that we have elucidated some of the main political trends in world politics, we can turn our attention to the future. The current situation is very much on a knife's edge. Multiple simmering volcanos threaten to explode at any time and reshape the global order. A correct orientation in the period ahead requires an analysis of these various points of tension, of how they are likely to evolve and of the political impact they may have.

China: The Sleeping Giant

The biggest long-term source of geopolitical tensions is the conflict between the U.S. and China. That said, these do not seem about to explode quite yet. The tariff war between the U.S. and China has revealed just how strong China's position has become (a fact underplayed in our recent analysis). Not only does China dominate global industrial production, but it also has a chokehold on rare earth minerals that are critical to the U.S. military-industrial complex. This forced the U.S. to partially retreat in its economic war against China and has made clear that the U.S. is in no position to provoke a conventional war either. The U.S. can and most likely will find a way around China's control of such critical economic choke points. But this process will take years.

If China were intent on defeating the U.S., it would make sense for it to press its advantage and paralyze the entire supply chain of the U.S. armed forces. However, as we have already seen, the CPC is a conservative bureaucracy that has no such intentions. It has opted instead to stabilize its relationship with

Andrew Caballero-Reynolds/AFP

Busan, South Korea, October 30: U.S. President Trump and China's President Xi Jinping meet for trade talks.

the U.S. by agreeing to a one-year trade deal. We shall see how long this agreement holds. But in the interim, it gives the U.S. time to address gaps in its supply chain and gives it a free hand to attack weaker countries—developments that may well come back to bite China in the future (see "China: Do Nothing, Lose," *Spartacist* No. 70, May 2025).

Venezuela in the Crosshairs

The most immediate threat is to Venezuela, which has been the focus of a huge military buildup. A full-on war between the U.S. and Venezuela would profoundly shake all of Latin America. If the U.S. is successful in overthrowing President Maduro, this could lead to a major political realignment on the continent, reversing the democratic gains made in past decades and bringing back the days of pro-U.S. right-wing military dictatorships. The fall of Maduro would also significantly tighten the noose around the Cuban workers state.

While military aggression against Venezuela, limited or full-blown, is a distinct possibility, there are reasons the U.S. might want to avoid this. In the first instance, a war with Venezuela would be very unpopular in the U.S. itself. There would certainly be huge opposition to a major ground invasion. Not only would a war threaten to turn into another quagmire, but nothing guarantees that it would be a success. Military aggression could easily backfire and rally the Venezuelan population behind the regime, while also fueling massive opposition to the U.S. throughout Latin America.

No doubt certain people in the State Department hope that the simple threat of American firepower will be enough to cause the Maduro regime to collapse. Over the past decades, the regime established by Hugo Chávez and now headed by Maduro has restrained and dampened the revolutionary energy of the Venezuelan masses. This and the brutal consequences of U.S. economic sanctions have steadily weakened the regime's popular support, leading it to become increasingly brittle and repressive. Nevertheless, for the working class, a capitulation by the Maduro regime without a fight would be the worst-case scenario. It would give a massive victory to the Venezuelan *gusanos* at minimum cost to U.S. imperialism and profoundly demoralize the masses throughout Latin America.

We can't know what the U.S. will decide to do. Unfortunately, in this case Trump holds all the initiative and has few immediate restrictions on what he can do. But once the genie is out of the bottle and a military conflict is engaged, the consequences could be unpredictable and the outcome may very well not be in Trump's favor. No matter what happens, revolutionaries must stand steadfast in defense of Venezuela, and any other country the U.S. sets its sights on.

Ukraine at an Inflection Point

When it comes to the Ukraine war, we have a totally different situation. Here the initiative is firmly in Russia's hands, and Putin has no qualms about playing his hand to the full extent. Trump's diplomatic flailing about has run its course. There was no bluffing his way out of the fact that Russia is winning. Recent negotiations have only confirmed that the conflict will be decided by force of arms, not diplomacy.

The pace of Russian gains has been increasing over the last two years, and we are now at a major inflection point in the conflict. The fall of the city of Pokrovsk not only represents the loss of a major logistics hub but also potentially opens the way for a collapse of Ukraine's whole position in Donbass—the epicenter of the war. The fall of Donbass would leave the way open for Russia to march all the way to the Dnieper River, Ukraine's key economic artery. It's possible that the onset of winter and Ukrainian resistance will delay this for a couple of more months. But the writing is on the wall, and it is only a matter of time before the Ukrainian lines collapse under the relentless Russian offensive.

Current developments are causing catastrophic and irreplaceable losses of manpower and equipment for Ukraine. They are also setting the stage for a sharp political crisis in Kiev, further undermining the war effort. The consequences of Ukraine's defeat will not only be felt in the country itself but will cause a political earthquake throughout Europe. The German, French and British governments have sunk an enormous amount of military, economic and political capital into Ukraine, and its collapse will shake the political establishment to its core. The shock will also be felt in the U.S., but Trump will benefit from having slightly more distance from the whole affair than his European counterparts.

Only after a Ukrainian military collapse will diplomacy play a more decisive role. The question will be whether the U.S. and Russia are able to agree on a settlement that would at least freeze the line of fracture between the pro-American bloc and Russia or if the conflict will continue. In the first scenario, we could see a reactionary order imposed on Europe based on a Russo-American pact. That outcome would be ideal for Russia, which has neither the ambition nor the economic weight to seek the domination of Europe at the present time. The main obstacle to reaching an agreement is that the U.S. has been unwilling to swallow its pride, accept defeat and roll back its influence in Eastern Europe. The U.S. also faces strong opposition from Ukraine and the EU to any substantial settlement with Russia.

If military hostilities continue, this would leave Europe extremely unstable and could eventually lead to a military collision between Russia and NATO, the outcome of which could be cataclysmic. Unfortunately, because of the craven capitulations to nationalism by the workers movement in Ukraine and Russia (not helped in any way by the international socialist movement), the possibility of a working-class

Abdalhkem Abu Riash/Anadolu

Gaza, July 30: Palestinians in line for food as Israeli blockades cause starvation.

solution to the conflict appears very remote at present. This could rapidly change under the blows of a sharp crisis, but the near future appears bleak. More than ever, communists must work toward building a revolutionary pole in the region, uniting the proletariat through a common anti-imperialist program (see "Ukraine War: Where Do You Stand Now?" *Workers Vanguard* No. 1184, April 2025).

Israel Prepares Next Bloodbath

Since October 7, Israel continuously escalated its campaign of genocidal terror against the Palestinians. Because of the divisions and political vacillations of the Axis of Resistance, it was able to engage the components of the Axis separately and at the time of its choosing. This allowed Israel to keep up its war effort for two years despite being overextended. Now the U.S.-brokered ceasefire allows Israel to pause, as it undoubtedly prepares for its next wave of carnage.

We can summarize the outcome for the Axis of Resistance as follows: Hamas has been dealt a severe blow but has held on, Hezbollah acted like a paper tiger and is licking its wounds, Assad's collapse resulted in a strategic defeat, and the Houthis emerged with their reputation enhanced. As for Iran, the senior partner of the alliance, it was able to hold its own during the 12-day war with Israel and the U.S. However, its position in the region has been weakened and it faces growing internal tensions.

Despite the brave face put on by the Resistance, no doubt many will ask: "Was all this worth it?" Following the outcome of the last two years, there is pressure to draw defeatist conclusions and make concessions to the U.S., Israel and the UAE. Such attitudes must be ***opposed at all costs***. Israel and the U.S. will continue their carnage in the region until they are forced to stop. Resistance is not a choice! The recent conflict has confirmed that fact and shown how conciliation and vacillation only lead to more Israeli butchery. The Palestinian cause is not only righteous but also a question of ***self-preservation*** for the entire Arab population in West Asia.

We must be clear that the conflict is still active and Palestinians are still being killed; it has only been reduced in intensity and will explode again. We must make sure that when it does, the correct political and military lessons will have been drawn (see "Kill the Deal!" *Spartacist* supplement, 8 October). This will not happen automatically; communists must help draw out these lessons and bring them to vanguard elements of the anti-Zionist struggle, in the Arab world and abroad.

South Asia Unraveling

South Asia has been shaken by increased instability. Sri Lanka, Bangladesh and Nepal have all witnessed popular uprisings in the last few years. Tensions in Kashmir are simmering. Only some months ago, Pakistan and India were at war and recently Afghanistan and Pakistan engaged in hostilities. Now tensions are ramping up once again following bombings in both New Delhi and Islamabad. As the various governments in the region feel the increasing weight of geopolitical tensions and imperialist economic pressure, it is difficult to predict what will happen next. However, further shocks are sure to come. Given the demographic and economic weight of the Indian subcontinent, these are sure to have important consequences for the world situation.

Rising tensions in South Asia are themselves largely the product of an increasingly fraught international context. India, the region's hegemon and most stable country, is itself increasingly squeezed. The rapid deterioration of relations between Trump and Prime Minister Modi surprised and shook the Indian political class. Many have speculated that India will seek a rapprochement with China and turn away from the U.S. Little credence should be given to such notions. The Indian capitalist class remains deeply integrated with the West. It will take a much deeper crisis to sever those bonds, not least because relations between China and India have historically been extremely hostile.

As tensions threaten the region, the left must rise above the hairsplitting historical debates it revels in and set itself toward organizing a unified struggle against imperialism and the venal capitalists selling off their countries and pitting their peoples against each other (see "South Asian Powder Keg," *Spartacist* No. 70, May 2025).

The Decisive Factor: The Global Economy

The single most important factor in the development of world politics is the global economy. It fundamentally underpins everything else and its evolution will be decisive in shaping the course of events. While it is impossible to predict exactly when the next major economic crisis will hit, there is no doubt that one is approaching and that it will have devastating consequences.

The global economy never fully recovered from the 2008 crisis. The overall growth of the real economy has been muted and living standards in most countries have been stagnant or have gone into reverse. The main factors propping up global growth have been huge investments in infrastructure and housing in China, Western governments' gigantic monetary and fiscal stimulus to their economies and a speculative frenzy in asset prices centered in the U.S. Of these three factors, only the third continues to this day.

The CPC has slowed the rate of investment in infrastructure and has burst the housing bubble, bringing the market into a depression. In response, the regime has invested massively in "new productive forces," driving down the price of many industrial goods, including electric cars and solar panels. This massive investment has created a deflationary cycle in China and accelerated the tendency toward deindustrialization in other parts of the world. Across the globe, we can observe a slowing down of production and an oversupply of industrial goods.

On the monetary side of the equation, most major economies saw increased interest rates in response to the spike in inflation following the Covid pandemic. This marked a break with the ultra-loose borrowing conditions that had been in existence since 2008. The result is that borrowing is growing ever more expensive, pushing many governments to try to limit their deficits. Most imperialist countries now find themselves with historically high debt burdens, which threaten to cause great political and economic instability in the future. These problems are all exacerbated by the drive to drastically increase military expenditure.

As for the stock bubble centered on the U.S. market, it has continued to expand following the correction in the early days of the Trump presidency. This has enabled those who own stocks to continue consuming at high levels. Meanwhile, everyone else is struggling more and more to get by. The massive spike in tech stocks due to the supposed AI revolution has continued to be the main, and increasingly the only, driver of stock market gains. The stock valuation of the chip designer Nvidia recently hit five trillion dollars, which means the company is worth as much as the entire annual output of the German economy. Clearly this is insane. So far, the bubble has been able to continue growing by leveraging the rising value of AI companies to purchase more AI products, causing an upward spiral in valuations. This will necessarily end in a catastrophic collapse. When exactly this occurs can't be predicted. But we can see that there is a decreasing number of factors supporting the stock bubble, which is reliant on the continued growth of a declining number of stocks.

When the music stops, we will get a glimpse into the true state of the world economy and the real balance of economic might between the great powers. In the first instance, a major shock will probably not lead to a rise in working-class militancy. Fear for the future and for self-preservation will probably be the prevailing attitudes, allowing governments to further squeeze working people despite their growing unpopularity. This coming economic hardship is one of the main reasons we insist on the need for the working class to adopt a defensive posture (see "What Union Militants Should Do," *Workers Vanguard* No. 1186, August 2025).

However, there are certain limits to the working class getting pushed around, and it will eventually come to the realization that collective struggle is necessary to survive. Particularly when the economy picks up again, we could see the rise of working-class struggles on a massive scale.

Revolutionaries in a Reactionary Period

As communists, we recognize the importance of the subjective element, that is, the ability of individuals and parties to shape history through their actions. At certain points, such as the October Revolution of 1917, the conscious action of a revolutionary vanguard can be decisive. But the role of individuals is only decisive to the extent that they place themselves within the development of objective historical processes. To bring this into the realm of sailing, it is obvious that knowing how to position a sail is decisive if a boat is to catch the wind, but without wind there is no sailing.

What, then, are revolutionaries to do in a period where the winds of class struggle are not blowing in our direction? Certainly, this greatly limits the direct impact on the masses that we can have. We cannot through our own subjective efforts push the masses into struggle. But this does not mean we are irrelevant. Quite the opposite. Under difficult objective conditions, it is all the more important to be deliberate and conscious in deciding where we place our energies. We must anticipate future political developments and position ourselves to meet them successfully (see "The Crisis in the Marxist Left and the Tasks of the ICL," *Spartacist* No. 70, May 2025).

No doubt our analysis will be considered too pessimistic by most, even defeatist. We can only shrug our shoulders at such critics. Their blind optimism in the face of growing reaction is a crude caricature of Marxism. Rather, we lean on the experience of the Bolshevik Party as described by Trotsky:

> "In these immense events the 'Trotskyists' learned the rhythm of history, that is, the dialectics of the class struggle. They also learned, it seems, and to a certain degree successfully, how to subordinate their subjective plans and programs to this objective rhythm. They learned not to fall into despair over the fact that the laws of history do not depend upon their individual tastes and are not subordinated to their own moral criteria. They learned to subordinate their individual tastes to the laws of history. They learned not to become frightened by the most powerful enemies if their power is in contradiction to the needs of historical development. They know how to swim against the stream in the deep conviction that the new historic flood will carry them to the other shore. Not all will reach that shore, many will drown. But to participate in this movement with open eyes and with an intense will—only this can give the highest moral satisfaction to a thinking being!"
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> —*Their Morals and Ours* (1938) ■